



VENDOR CODE OF CONDUCT

EFFECTIVE JANUARY 1, 2022

INTRODUCTION

Algoma Steel Inc. (“ASI”) values honesty, fairness and excellence in all of its business dealings and is committed to ensuring that its Vendors and ASI’s employees are aligned with these values and conduct themselves in a way that upholds the integrity and reputation of ASI.

To further this objective, ASI has created a Vendor Code of Conduct to make abundantly clear its expectations of those with whom it collaborates.

All Vendors and their employees must adhere to the Vendor Code of Conduct while conducting any business with ASI. Vendors shall promptly inform ASI in the event that a situation or circumstance develops that causes, or could cause, the Vendor, or a Vendor employee, to be in violation of or perceived to be in violation of this Vendor Code of Conduct.

Not every situation has been nor can be outlined in this Vendor Code of Conduct and ASI expects its Vendors to use this document to guide their conduct in a manner that is consistent with both community standards as well as all legal obligations.

- This Code of Conduct informs Vendors of the following:
 - that they may not engage in corrupt or dishonorable practices;
 - that they must disclose information on any situation that may appear to present a conflict of interest;
 - that ASI has a zero-tolerance policy with regards to the acceptance of gifts or hospitality from Vendors;
 - that there are restrictions on the employment by Vendors of former ASI employees.

- This Vendor Code of Conduct is not to be read in lieu of, but in addition to, Vendors' obligations as set out in any purchase order or contract between ASI and the Vendor.
- Vendors must ensure that all permitted subcontractors are in compliance with the requirements of this Vendor Code of Conduct.
- The Vendor shall be responsible for any breach of the obligations described in this Vendor Code of Conduct by the Vendor or the Vendor's employees, agents, subcontractors, or other representatives.
- Vendors may not engage in any transaction that alone, or as part of a series of transactions, would result directly or indirectly in avoiding or circumventing this Vendor Code of Conduct.
- ASI reserves the right to, in its discretion, apply the consequences of a breach of this Vendor Code of Conduct both retroactively and prospectively.

1. COMPLIANCE WITH APPLICABLE LAWS & REGULATIONS

ASI expects its Vendors and their employees to act with integrity and to be ethical in their business dealings. This begins with complying with all applicable laws and regulations. In addition, Vendors must adhere to any standards, rules or codes of conduct set out by any regulatory body that governs the Vendor.

2. ENVIRONMENTAL

ASI expects its Vendors to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Vendors should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the use of environmentally sustainable technologies.

3. HEALTH AND SAFETY

ASI expects its Vendors to ensure, so far as is in accordance with ASI's policies and applicable law, that:

- (a) workplace sites, machinery, equipment and processes under their control are safe and without risk to health;
- (b) all chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and
- (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health.

4. ETHICAL CONDUCT

- a. **Corruption:** ASI expects its Vendors to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.
- b. **Conflict of Interest:**
 - i. ASI's Vendors are expected to disclose to ASI any situation that may appear as a conflict of interest, including if any ASI employee, agent, or representative may have an interest of any kind in a Vendor's business, or any kind of economic ties with a Vendor.
 - ii. ASI expects its Vendors to avoid situations that might create or even appear to create a conflict of interest. A conflict of interest can occur when personal, financial or family interests interfere with ASI's best interests.
 - iii. Examples of unacceptable conflicts of interest include:

- paying a referral fee, commission, or any direct or indirect economic benefit to any ASI employee (or any beneficiary thereof) as consideration for referring or securing business for the Vendor;
 - paying an ASI employee personally for services, or procuring subcontracting work for ASI based on familial or personal relationships.
- iv. Any conflicts of interest must be disclosed by the Vendor by contacting ASI at VendorCompliance@algoma.com even where there is simply uncertainty surrounding a particular situation.
- c. **Post-employment restrictions:** Post-employment restrictions may apply to ASI current employees and former ASI employees who participated in the procurement process, if such persons had prior dealings in the course of their employment with suppliers or procurement decisions. This is to avoid even the appearance of an unfair advantage; therefore, without the prior written consent of ASI, Vendors may not offer employment to any such person for a period of one year following their separation of employment with ASI.
- d. **Non-solicitation of ASI employees:** Vendors shall not actively solicit for employment any personnel employed by ASI.

5. NO GIFTS OR HOSPITALITY

Gifts can be a way to demonstrate that a business relationship is valued; however, gifts, including gifts of hospitality, can lead to concerning situations and can ultimately harm reputations – even when the harm that is done is merely creating an appearance of compromised integrity. At times, it can even be difficult for parties to discern when a gift is innocent and when it crosses into an effort to secure an advantage over competitors.

Accordingly, ASI has eliminated the need for its employees and Vendors to try to discriminate whether or not certain gift-giving is acceptable by imposing a blanket prohibition.

- a. ASI employees are **not** permitted to receive any gifts except those that are negligible in value, such as promotional items (ex. a t-shirt or pen) or small food items. (ex. coffee, popcorn). Examples of gifts include:
 - i. Wine, beer or liquor
 - ii. Gift baskets
 - iii. Tools
 - iv. Sporting equipment
 - v. Automotive repairs
 - vi. Home renovations
 - vii. Artwork
 - viii. Cash or gift cards or any free goods or goods that have been reduced in price or services or favours for their personal benefit or the personal benefit of their families or any designated beneficiaries.

- b. ASI employees are not permitted to accept hospitality unless there is a legitimate business purpose or the hospitality is reasonable, customary and not extravagant AND both the Vendor and the ASI employee attend the hospitality event. Free travel or accommodations cannot be accepted by employees without Algoma Steel Compliance Committee prior authorization. Examples of hospitality include:
 - i. Meals
 - ii. Event tickets
 - iii. A round of golf
 - iv. Travel and accommodations

- c. Vendors are advised to contact VendorCompliance@algoma.com with questions or to express concerns involving gifts or hospitality.

6. BUSINESS ETHICS STANDARDS

- a. Whether or not the Vendor is using gifts or hospitality, Vendors may not exert pressure on ASI employees, through a competitive or non-competitive sourcing process, in order to gain an advantage over a competitor.
- b. Vendors shall not attempt to induce ASI employees to breach their own standards of conduct and professionalism.
- c. Vendors shall refrain from engaging in:
 - i. Intimidation tactics towards a competitor;
 - ii. Questionable or unethical financial practices;
 - iii. Deceptive marketing practices;
 - iv. Unethical business practices.
- d. Vendors (current or prospective) are entitled to conduct business with ASI free from undue pressure, coercing or otherwise unprofessional behavior from ASI employees, and are encouraged to report such tactics by contacting ASI at VendorCompliance@algoma.com.

7. FRAUD

- a. Vendors must be ethical in the preparation of all invoices submitted to ASI.
- b. Vendors shall refrain from knowingly providing invoices containing inaccurate or misleading information or that conceal or withhold information to the benefit of the Vendor or third party. Examples of prohibited conduct include but are not limited to:
 - i. Engaging in conduct that unnecessarily adds time to a particular activity thereby increasing the value of a contract to the Vendor;
 - ii. Falsification of time card or employee presence data; and
 - iii. Overstating work, material or staffing requirements for a contracted project or variations to a project.

- c. Concerns shall be reported to ASI at VendorCompliance@algoma.com.

8. CONFIDENTIALITY

Vendors shall maintain the confidentiality of any information received regarding ASI and/or ASI customers. Furthermore, such confidential, proprietary and/or personal information of others, as applicable, shall be protected from unauthorized use or access or accidental disclosure through the use of appropriate physical and electronic security. Both during and after its business relationship with ASI, Vendors may not disclose, copy, sell or distribute ASI's or its customers' confidential and proprietary information to any third party. Vendors must immediately return or destroy all ASI-related information, equipment and property in their possession upon the termination of the relationship and on ASI's request.

Vendors must comply with provincial and federal privacy laws, wherever applicable.

9. COMPLIANCE WITH COMPETITION LAWS

Vendors shall comply with the *Competition Act*, RSC 1985, c. C-34 and amendments. In particular, vendors will not engage in any form of conspiracy or bid-rigging. Vendors will not enter into any anti-competitive agreements with competitors, suppliers, customers or other third parties and will not abuse a dominant market position.

10. CONSEQUENCES FOR BREACH

- a. ASI anticipates that its Vendors will duly comply with the principles set forth in this document; however, penalties for non-compliance may include, but may not be limited to:
 - i. immediate removal as a Vendor;
 - ii. Vendor sanctions including termination for repeat violations; and/or
 - iii. liability under civil, regulatory, or criminal processes.

- b. ASI reserves the right to terminate any agreement with a Vendor that has violated the Vendor Code of Conduct and may, in its sole discretion, determine such a violation to be a material breach of a written agreement between ASI and the Vendor.
- c. ASI may at any time require a Vendor to participate in training on the issues set forth in this Vendor Code of Conduct.

11. VENDOR ENFORCEMENT OF ASI CODE OF CONDUCT

- a. ASI encourages its Vendors to create and enforce their own Code of Conduct. However, all Vendors shall provide training on ASI's Vendor Code of Conduct to their employees and permitted subcontractors.
- b. Furthermore, it is a requirement under this Vendor Code of Conduct that all Vendors create and maintain a mechanism by which employees can anonymously report issues within the Vendor's organization that may constitute a breach of this Vendor Code of Conduct. Vendors must protect whistleblowersⁱ and may not engage in any form of reprisal against these individuals. ASI expects that any Vendor who becomes aware of conduct that constitutes a breach of this Vendor Code of Conduct shall promptly take remedial action.
- c. Vendors are to promptly contact ASI at VendorCompliance@algoma.com to report the details of the occurrence to the extent permissible under law, including applicable federal or provincial privacy legislation.

ⁱ Whistleblower: Any person who makes a disclosure about improper conduct by an employee or officer of the company, or a public officer or official body.